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BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

SEP 21 PM 2 06

STATE SECRETARY

IN RE:

Citizens Telecommunications Company
of Tennessee, and

Citizens Telecommunications Company
of the Volunteer State;

Request for Extension of Time to File Tariffs
To Offer a Blocking Service as Required by
Section 1220-4-2-.58(4) of the TRA's Rules

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Docket No.

00-00338

**REQUEST FOR EXTENSION OF TIME PURSUANT TO SECTION 1220-4-2-.58(5) OF
THE TRA'S RULES**

1. Pursuant to Section 1220-4-2-.58(5) of the TRA's Rules, Citizens Telecommunications Company of Tennessee and Citizens Telecommunications Company of the Volunteer State (collectively, Citizens), by their attorney, hereby request a one-year extension of time until May 31, 2001 to file tariffs offering a blocking service as required by Section 1220-4-2-.58(4).
2. Section 1220-4-2-.58(4) requires carriers to "offer their customers a service that blocks the placing of monthly recurring charges on telephone bills by third party service providers." Additionally, Section 1220-4-2-.58(5) requires carriers to file tariffs for this blocking service by May 26, 2000, or, in lieu thereof, to file a request for additional time to comply by that date.
3. Citizens requests an extension of time until May 31, 2001 to file tariffs for the blocking service required by Section 1220-4-2-.58(4).

4. Citizens explained in its comments on this rule when it was first proposed that Citizens' billing system is incapable of providing this blocking service, and that adding this capability would require extensive and costly upgrades.¹ Citizens estimates that it will cost at least \$200,000 and will take an additional year to upgrade its billing system to provide this functionality.

5. Granting Citizens this additional time will not adversely affect its customers or the public interest. Requirements put in place by the TRA in other subparts of Rule 1220-4-2-.58 and by the FCC in its Truth-in-Billing rules provide significant safeguards to customers in the interim. These rules make it much more difficult for carriers to place unauthorized charges on customer bills and ensure that customers are alerted to any new charges or new carriers. Additionally, these rules provide quick, effective remedies if unauthorized charges do appear on a customer's bill. Thus, these rules provide significant and meaningful safeguards for customers in the interim.

6. Wherefore, pursuant to Section 1220-4-2-.58(5), Citizens Telecommunications Company of Tennessee and Citizens Telecommunications Company of the Volunteer State respectfully request that the TRA grant them an extension of time until May 31, 2001 to file tariffs offering the blocking service required by Section 1220-4-2-.58(4) of the TRA's rules.

Respectfully submitted,



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May 23, 2000

¹ See Comments of Citizens Communications at p.8 (May 18, 1998). Copy attached.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: Proposed Rulemaking to Establish Rules and Regulations Regarding
Slamming and Cramming

COMMENTS OF CITIZENS COMMUNICATIONS

Citizens Utilities Company, on behalf of itself and its telecommunications subsidiaries doing business in Tennessee (collectively, Citizens), by its attorney, hereby submits its comments in response to the Commission's Notice of Rulemaking in this proceeding and states as follows:

I. INTRODUCTION

Citizens Telecommunications Company of Tennessee, LLC and Citizens Telecommunications Company of the Volunteer State, LLC (Citizens LECs) are incumbent local exchange carriers operating in Tennessee. Citizens Telecommunications Company is an interexchange carrier operating in Tennessee and all other states. The proposed rules will affect each of these companies.

II. COMMENTS

Citizens supports the TRA's efforts to combat slamming and cramming. With increased competition has come the opportunity for unscrupulous carriers to use questionable marketing practices to gain customers. These practices harm consumers and the scrupulous carriers who, like Citizens, prefer to compete on the basis of the quality and value of the services they provide. The harm to consumers is well documented. The harm to carriers like Citizens may be somewhat less obvious. Citizens incurs significant administrative costs when it must return

customers to their carrier of choice and handle customer calls regarding disputed third party charges that appear on its bills. Cramming especially results in a loss of customer good will toward Citizens, even though Citizens is not the party assessing the disputed charge. Thus, it is in the best interests of both customers and Citizens to combat slamming and cramming.

Citizens therefore has implemented policies and procedures aimed at ensuring that all changes in customers' long distance carriers are verified in compliance with existing regulations. Further, Citizens does not telemarket its long distance service. Telemarketing accounts for the majority of slamming complaints. Similarly, Citizens is currently in the process of establishing and implementing additional procedures to address cramming. While Citizens' billing and collection agreements have long enabled it to remove disputed third-party charges from customer bills, it is working with its billing and collection customers to streamline the process. Ultimately, the goal is to be able to immediately remove disputed charges. Citizens is also working to establish criteria and procedures to identify service providers that have a high incidence of cramming complaints so that it can identify and cease billing for such service providers.

Against this background, Citizens offers the following particular comments about the proposed rules.

SLAMMING – Proposed Rule 1220-4-2-.56

As an initial matter, Citizens believes that a distinction should be drawn between changes in customers' presubscribed interexchange carriers (IXCs) and customers' chosen local exchange carriers. Changes in IXC, whether inter- or intra-LATA, do not involve the exchange of customer proprietary network information (CPNI). On the other hand, changes in LECs will involve significant exchanges of CPNI between the ILEC and the CLEC. Thus, Section 222 of the Communications Act of 1934, as amended, 47 U.S.C. § 222, requires the customer to give

written permission before the ILEC may disclose CPNI to the CLEC. Citizens therefore believes that changes in customers' LEC may only be accomplished upon receipt by the ILEC of a written LOA signed by the customer that includes a statement that the customer authorizes disclosure of her CPNI to the CLEC. The proposed rule, which allows other means of verifying LEC changes, conflicts with the Federal statute.

Subsection 4

Citizens respectfully requests that the TRA clarify that the LEC must suspend collection of change charges from the customer. As written, the rule would preclude Citizens' current practice of collecting change charges from the slamming carrier. Citizens believes that the slamming carrier should bear this cost. The TRA has explicitly approved this practice by approving Citizens' intraLATA dialing parity implementation plan.

Subsection 10(b)

The proposed procedures to change customers' carrier selections that have been frozen are unduly burdensome. As an initial matter, Citizens cannot currently provide a LEC freeze, although it can freeze a customer's inter- and intra- LATA toll carrier selection upon the verbal request of a customer. It will also unfreeze those selections upon the verbal request of the customer, provided the customer can provide some identifying information such as a social security number. The additional verification procedures outlined in the proposed rule are burdensome and impose significant administrative costs on LECs.

More importantly, however, the proposed procedures are unnecessary. As explained above, a signed LOA is necessary to effect a LEC change. Further, the proposed rules clearly define the LOA process and set penalties for forgery of customer signatures. These measures

offer greater protection against unauthorized LEC changes than do the proposed verification procedures with significantly less administrative burden and cost.

Subsection 11

Under existing rules, the new IXC or reseller is required to provide to the customer an information package within three business days of the customer's request for a PIC change. This provides much more timely notice to the customer of the change than does the proposed rule. Experience demonstrates that notices on customer bills often go unnoticed. Thus, the proposed notice on customer bills will add nothing to the existing notification procedure and would, in any event, be less timely. The proposed rule also imposes additional administrative burdens and costs on the LEC which is not a party to the transaction.

Should the TRA implement this proposed rule, Citizens would appreciate clarification of "conspicuous" as used therein. Citizens' bill printing system has limited capability in terms of font sizes and emphasis markings such as bolding or underlining. There is also limited space on bills to include large font sizes. Thus, Citizens' ability to implement this requirement depends in part on how the Commission interprets "conspicuous." The cost will also vary according to the size and complexity of the fonts.

Finally, it is not clear whether Citizens' bill printing system will readily accommodate the inclusion of the required legend on a one-time basis. Placing the notice on the first page may be particularly difficult on a one-time basis because of spacing considerations.

Subsection 12

Citizens requests clarification of when the 90-day period begins. For example, it could begin on the date of the alleged slam, the date the customer reports the slam to the LEC, or some other date.

CRAMMING – Proposed Rule 1220-4-2-.58

Subsection 1(a)

Compliance with this rule will require Citizens to renegotiate its billing and collection agreements. Those agreements currently require the other party to have appropriate authorization from the FCC. Citizens is willing to modify those agreements to require the other party to have the appropriate authorization from the state as well.

Compliance may be more problematic with respect to those carriers that use clearinghouses rather than contracting directly with Citizens. Citizens believes that a LEC should be found in compliance if it by contract requires clearinghouses to ensure that all carriers billing Tennessee customers through the clearinghouse are properly certificated and have informational tariffs on file. It would be virtually impossible for any LEC to directly contract with each and every carrier for billing and collection, or to even directly obtain proof of authorization. There are over 4500 sub-CICs that bill through Citizens' largest billing and collection customer alone. Each sub-CIC represents a separate carrier with which Citizens would have to contract.

Finally, there are a growing number of new entrants that provide telecommunications services. Because billing and collection is a complex process that requires expensive systems, many new entrants lack the ability to do their own billing and collection. Making it unduly burdensome or difficult for new entrants to obtain billing and collection service from LECs raises a significant barrier to entry that is at odds with the de-regulatory, pro-competitive framework established by Congress.

Subsection 1(b)

This subsection appears susceptible to multiple interpretations, and therefore should be clarified. Citizens has no objection to the extent that this proposed rule requires the service provider to file informational tariffs. This would not appear to be overly burdensome and would provide the information sought by the TRA to be disclosed. Citizens does object, however, if the proposed rule requires the LEC to file informational tariffs that provide information about services provided by others, but billed through the LEC. This would be an insuperable burden on the LEC. Accordingly, Citizens respectfully requests clarification on this issue. It also requests clarification regarding the information that should be contained in its billing tariff.

Subsection 1(c)

Citizens believes that accurate and complete descriptions of charges should be provided on customers' bills. There is, however, a limit to the amount of text that Citizens can currently provide on its bills. Additionally, Citizens' bills do not state whether a charge is recurring. As with other information on bills, the burden and the cost to implement this rule will depend on whether the information that can be provided by Citizens' bill printing system is deemed sufficient to comply with the rule. Additionally, Citizens believes that it is primarily the responsibility of the service provider to accurately and clearly describe charges within the limitations of the LEC's bill printing system.

Subsection 1(e)

Citizens has mixed views on the proposed 60-day limit for charges to appear on customer bills. Citizens has no problem with the applicability of the 60 day limit in those instances where carriers make billing errors that will result in increased charges to customers. However, there is

a major concern with this time limitation in the case of an incumbent LEC billing on behalf of IXCs.

Citizens find that many of its smaller interexchange carrier customers for billing and collection services send toll record tapes for billing that contain calls that are 45 or more days old. When billed by the LEC, these calls are between 45 and 75 days old. If the 60-day limit were imposed on such traffic, Citizens and other LECs would have to renegotiate their billing and collection agreements accordingly. Citizens would also have to modify its billing and collection message processing systems, at significant expense, to automatically reject calls beyond 60 days old. For all of these reasons, Citizens believes that a more balanced approach is to impose a 90-day time limit upon interexchange carrier billings, with additional time for international billings which may take up to 180-days.

Subsection 1(f)

This proposed rule appears to apply most directly to the service provider, rather than to the LEC on whose bill the charge appears. LECs cannot effectively, nor should they be required to police whether the service provider has complied with this prohibition. At most, a LEC could require compliance in its billing and collection agreements. To the extent that the TRA intends this rule to require LECs to police the activities of third parties, Citizens will have to renegotiate its billing and collections agreements.

Subsection 1(g)

Citizens has no objection to this proposed rule, subject to space constraints.

Subsection 2

This rule appears to apply most directly to the service providers and would require the service provider to obtain consent of the billed party prior to assessing charges. Citizens believes

that this burden is properly placed on the service provider. To the extent that the TRA intends this rule to require LECs to police the activities of third parties, Citizens will have to renegotiate its billing and collections agreements.

Rather than placing an additional burden on LECs not involved in the transaction giving rise to the billing, Citizens respectfully suggests that the TRA consider requiring service providers to provide an information packet similar to that required of IXC's following a PIC change. This would ensure that the customer is informed of the charges and can take appropriate corrective action prior to being billed if she did not request the service or authorize the charges.

Subsection 3

Citizens' billing system is not capable of providing the kind of blocking envisioned by this proposed rule. The system upgrades necessary to provide such blocking would be significant and costly, if the current system is even capable of providing it. Therefore, Citizens respectfully requests that the TRA defer implementation of this proposed rule until it can be seen whether the myriad other measures being taken are effective at curbing cramming.

Subsection 4

It is not clear to which service "this" refers. Assuming that it refers to the blocking service mentioned in Subsection 3, Citizens cannot develop and tariff that service within the 60-day timeframe provided. It would likely take substantially longer than 60 days to develop the software, assuming that the current billing system could provide such blocking. Citizens would require a substantial amount of time to determine whether its current system is even capable of providing such blocking. Depending on the system's capabilities, it may be necessary to replace the entire system, which is not a viable alternative.

Subsection 5

Citizens' billing and collection agreements permit Citizens to remove from customer bills disputed charges assessed by third party service providers. Accordingly, Citizens has no problem with this proposed rule.

Subsection 6

Citizens is currently working to develop this functionality so that it can accurately and quickly identify service providers that have a high incidence of cramming complaints. This will enable Citizens to cease billing for such service providers.

III. CONCLUSION

Citizens supports the TRA's efforts to combat slamming and cramming. It urges, the TRA, however, to modify the proposed rules in light of the concerns expressed in these comments.

Respectfully submitted,

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May 18, 1998